III. CHARACTERISTICS OF EUC RECIPIENTS AND THEIR EXPERIENCES WHILE COLLECTING EUC

The Emergency Unemployment Compensation (EUC) program was introduced in response to a perceived need to lengthen the duration of unemployment benefits for unemployed workers during the 1990-1993 recession. Because the duration of unemployment lengthens, unemployment compensation benefits are often extended during recessions. Individuals who experience long spells of unemployment may need a longer period of unemployment compensation, since other sources of income support may be unavailable or are not sufficient to cover the temporary economic needs of recipients and their families. Individuals who experience long spells of unemployment during recessionary periods might also benefit from reemployment assistance or training, but efforts to increase the level of such services typically have not been tied to extensions of unemployment compensation.

In this chapter, we examine the use of employment, education, and training service and the anti-poverty effectiveness of EUC. We begin by examining the unemployment compensation experiences of recipients who collected regular Unemployment Insurance (UI) and/or EUC during the period in which the EUC program operated. We also examine the demographic and pre-layoff job characteristics of EUC recipients and compare them to a group of recipients who collected only regular UI. We use administrative data collected from the 18 states in our sample for our analysis of unemployment compensation experiences; we also use survey data for our analysis of the characteristics of recipients and their income and reemployment service receipt. As discussed in Chapter I, the survey data were collected for subsamples of EUC and UI-only recipients in the 16 states that provided data in time for inclusion in the survey. To reduce recall error, the survey data are restricted to recipients who began collecting EUC during the later three phases of EUC. This

restriction is also applied to the UI-only sample by restricting that sample to individuals who, if they had collected EUC, would have been likely to collect EUC during its later three phases. Both data sets are weighted to represent national totals as described in Appendix A.

Our analysis of the unemployment compensation experiences and characteristics of EUC recipients indicates that it makes sense to think of the EUC program as having served two types of recipients: (1) long-term, unemployed individuals; and (2) short-term, unemployed individuals. Prior temporary extended benefits programs served long-term unemployed individuals because individuals could not receive extended benefits until they collected all their regular UI benefits and, depending on the program, extended benefits provided through the permanent Extended Benefits (EB) program. During EUC-3 and EUC-4, however, individuals who had previously collected regular UI and had used up their benefits because they had collected all their benefits or had reached the end of a benefit year were allowed the option, when they filed an initial claim, of collecting EUC instead of establishing a new UI benefit year. Our analysis indicates that the vast majority of individuals who chose to collect EUC instead of establishing a new benefit year did not continue on to regular UI. This group also had relatively low benefit exhaustion rates, and many appeared to be job-attached workers on temporary layoff.

For this reason, we divide EUC recipients into two groups for our analyses. We combine individuals who collected UI then EUC or EUC then UI into one group (labeled UI-and-EUC) and consider this group as recipients who received both first- and second-tier UC benefits. We use this group when we make comparisons to extended benefit recipients under prior temporary extended benefits programs. The other group (which we label EUC-only) are recipients who collected only EUC and who appear more like our comparison group of UI-only recipients. We also present data for the combined groups, to allow for statements about the entire population of EUC recipients.

The rest of this chapter consists of five sections. Section A provides a description of the unemployment compensation experiences of UI and EUC recipients. Sections B and C provide descriptions of their demographic and pre-layoff job characteristics. Then, in Section D, we examine recipients' use of public assistance or retirement benefits and see how use of these programs changed as recipients made the transition from employment to unemployment. We also examine household income and poverty status, as well as EUC's role in helping recipients maintain their household incomes. Finally, in Section E, we examine the use of reemployment services and training and whether long-term unemployed recipients could potentially have benefited from more services or training.

A. UNEMPLOYMENT COMPENSATION EXPERIENCES

Approximately 22.5 million individuals received one or more weekly payments from state UI, Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Servicemen (UCX), and/or EUC programs during the period in which EUC was available.[1] As Table III.1 shows, these individuals, on average, established 1.2 benefit years during this nearly three-year period and received 23.4 weeks of benefits (17.1 UI and 6.3 EUC), for a total of $4,030 in payments ($2,942 from UI and $1,088 from EUC). These averages mask considerable variability.

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[1]We defined the population of interest as individuals who either received an EUC payment or could potentially have received an EUC payment if they had remained unemployed long enough. We defined this later group as individuals who received a first payment from a state UI, UCFE, or UCX (hereafter referred to as UI) program during the period January 1991 through September 1993, since these individuals would have been eligible to collect EUC if they exhausted UI. This definition excludes some who were eligible for EUC through the reachback provisions, since those provisions allowed some individuals who began collecting regular UI prior to January 1992 to collect EUC. However, we believe this definition captures the vast majority of individuals potentially eligible for EUC. Finally, our analysis excludes the small number of payments made under the regular EB program during this period; we did not collect data on these payments for the individuals in our sample.

TABLE III.1

UNEMPLOYMENT COMPENSATION EXPERIENCES OF INDIVIDUALS ESTABLISHING BENEFIT YEARS DURING THE EUC PERIOD

Number of Benefit Years (Percent)	
1	79.8
2	17.3
3	2.7
4	0.3
Mean Number	1.2
Mean Weekly Benefit Amount	$169
Mean Weeks Collected	
UI	17.1
EUC	6.3
Total	23.4
Mean Benefits Received	
UI	$2,942
EUC	1,088
Total	$4,030
Distribution of UC Payments by Decile (Percent)	
1	0.4
2	1.4
3	3.0
4	5.0
5	7.3
6	9.8
7	13.1
8	16.1
9	20.6
10	23.3
Number of Individuals	22,544,844
Sample Size	**28,420**

SOURCE: UI and EUC administrative data on samples of individuals from 18 states.

NOTE: We include in the sample all individuals who received an EUC first payment and individuals who received a UI first payment in the period January 1991 through September 1994. We include those individuals receiving benefits from state UI, UCFE, and UCX in the UI category. The estimates are based on weights assigned to make the sample representative of the U.S. population of UC benefits recipients (see Appendix A).

While most individuals (80 percent) established a single benefit year, 17 percent established two benefit years and 3 percent established three or four. The decile of individuals receiving the largest payments received 23 percent of all dollars spent during this period, while the decile receiving the lowest payments received less than one-half of one percent of total payments. These numbers imply that the individuals in the highest decile received more than $9,000 on average (56 weeks of benefits) and those in the lowest decile received $173 on average, or roughly one week of benefits.

Turning to an analysis of benefit years (Table III.2), we can see that most of the benefit years (90 percent) established during the EUC period began with a spell of regular UI, which, about 30 percent of the time, was followed by a period of EUC collection.[2] The remaining 10 percent of benefit years began as EUC first claims. Two of the 10 percent (five percent of EUC claims) were claims made under EUC's reachback provisions. The remainder, which accounted for 22 percent of EUC claims, were EUC optional claims. The vast majority of these claims were EUC-only claims--that is, benefit years in which an EUC, but no UI, benefit was collected.

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[2]The administrative records did not allow us to determine precisely which individuals who began collecting EUC did so under the reachback provision and which did so under the provision allowing EUC to be collected instead of regular UI. To address this problem, we categorized claims as reachback claims if they occurred during EUC-1 or EUC-2 and the UI first payment began prior to 1991(we obtained UI data for claims beginning in January 1991). This definition will incorrectly classify individuals who began collecting UI in mid-November through December 1990 as reachback claims, but this misclassification should affect only a small number of claims. We categorized EUC claims as EUC optional claims if they occurred after the beginning of EUC-3 and the time period between a UI benefit year begin date and the EUC first payment was one year or more. Individuals who met this criterion would have been required to establish new UI claims had the options legislation not been enacted. This definition counts as EUC-optional claims a few claims established during EUC-5, when the option was not in effect; however, data on EUC optional claims reported by states also show a small number of optional claims during this period. We also distinguished between recipients who collected only EUC and those who collected EUC followed almost immediately by a new benefit year and a UI claim. We categorized recipients as "EUC-then-UI" recipients if the first payment date for the new UI claim was within 30 days of the last payment date of the EUC claim. This requirement distinguished between recipients who most likely did not have subsequent employment and recipients who may have interrupted their benefit collection by either a job spell or time out of the labor market. While these definitions may not be accurate in all cases, they do provide a consistent way of defining EUC first claims across the states in our sample.

TABLE III.2

UC EXPERIENCES BY BENEFIT YEAR DURING PERIOD
IN WHICH EUC WAS AVAILABLE

				EUC-Only		
	UI-Only	UI-EUC	EUC-UI	Reachback	EUC Option	Total
Distribution of First Pa'yments (Percent)	62.9	26.8	1.2	2.0	7.1	100.0
Mean Weeks Collected						
UI	11.7	23.3	16.8	0.0	0.0	13.8
EUC	0.0	16.5	16.8	18.2	11.9	5.8
Total	11.7	39.8	33.6	18.2	11.9	19.6
Distribution of Weeks Collected						
UI	53.3	45.3	1.5	0.0	0.0	100.0
EUC	0.0	76.0	3.5	6.1	14.4	100.0
Total	37.6	54.4	2.0	1.8	4.3	100.0
Mean Benefits Collected						
UI	1,963	4,161	2,610	0	0	2,383
EUC	0	2,946	2,835	2,858	1,869	1,012
Total	$1,963	$7,107	$5,445	$2,858	$1,869	$3,395
Distribution of Benefits Collected						
UI	51.8	46.9	1.3	0.0	0.0	100.0
EUC	0.0	78.1	3.4	5.6	13.0	100.0
Total	36.4	56.1	1.9	1.7	3.9	100.0
Exhausted UI (Percent)	18.1	96.7	42.8	0.0	0.0	37.8
Exhausted EUC (Percent)	0.0	64.2	65.0	57.3	31.0	21.3
Exhausted UI and EUC (Percent)	0.0	63.3	31.7	0.0	0.0	17.3
Sample Size	**22,480**	**9,558**	**425**	**629**	**2,235**	**35,327**

SOURCE: UI and EUC administrative data on samples of individuals from 18 states.

NOTE: We include in the sample all individuals who received an EUC first payment and those who received a UI first payment in the period January 1991 through September 1994. We include individuals receiving benefits from state UI, UCFE, and UCX in the UI category. The estimates are based on weights assigned to make the sample representative of the U.S. population of UC benefits recipients (see Appendix A).

The average recipient collected 20 weeks of benefits and about $3,400 per benefit year (Table III.2). As we discuss above, however, these averages mask considerable variability. For example, the 27 percent of recipients who collected UI and then EUC collected 54 percent of all benefits, while the 63 percent collecting only UI collected 38 percent of the benefits. Furthermore, data on the distribution of benefits by decile (not shown in the table) show that individuals in the highest decile collected 25 percent of all benefits and those in the lowest collected less than one-half percent. Interestingly, the figures on the distribution of benefits by benefit year are roughly identical to those reported in Table III.1 for individuals over multiple benefit years. This finding implies that those who collected large benefit amounts did so because they had a long spell of benefit collection associated with a single benefit year, as opposed to several spells over multiple benefit years. In other words, it implies that, at least during a recession, individuals who tend to collect UI in multiple years (often termed "repeaters") have relatively short spells and do not collect a disproportionate share of benefits over time.

Another issue worth considering is the exhaustion rate, which provides a measure of the extent to which the UI and EUC programs provided adequate unemployment compensation coverage to unemployed workers. As shown in Table III.2, we estimate that about 17 percent of all recipients exhausted both tiers of benefits during the EUC period.[3] This rate is lower than the 25 to 30 percent UI exhaustion rate typically found during nonrecessionary periods, which suggests that the degree of coverage of unemployment spells provided by the unemployment compensation system was somewhat larger during the EUC period than is typically the case.[4] However, one reason the

[3]We define "exhausted" as collecting the full entitlement.

[4]For example, the national exhaustion rate for regular UI was about 30 percent over the 1986-1990 period.

exhaustion rate was as low as it was is that some individuals who exhausted first-tier benefits did not go on to collect second-tier benefits. Some of these individuals probably became reemployed quickly, while others (some EUC-only recipients) may not have qualified for further benefits; however, some undoubtedly could have collected further benefits but chose not to. An alternative calculation of the total exhaustion rate, which assumes that everyone exhausting first-tier benefits collects second-tier benefits, involves multiplying the exhaustion rate for tier one (assumed to be UI) by the rate for tier two (EUC). Conceptually, this calculation is the same as the one reported in Chapter II, using aggregate data, and our empirical results, using individual level data, are basically identical. Namely, we estimate that during the EUC period the UI exhaustion rate was 42 percent and the EUC rate was 58 percent for a total rate of 24 percent. This rate is at the low end of the typical nonrecessionary range--which, again, suggests that the combined UI-EUC programs provided adequate coverage as judged by historical nonrecessionary standards.

Turning to an examination of the experiences of EUC recipients by phase (Table III.3), we can see how the changes made over time in the EUC program affected recipients' experiences. Mean weeks of EUC was longest during phases one and two, when potential durations were the longest (26 or 33 weeks); mean weeks on EUC was shortest during phase five, when potential durations were the shortest (7 or 13 weeks). As one would expect, the reverse occurred for the EUC exhaustion rate among recipients who received both UI and EUC: mean weeks collected and the exhaustion rate among reachback recipients were similar to the averages experienced by other EUC recipients during EUC-1 and EUC-2.

Finally, the EUC program experiences of EUC option recipients differed substantially from those of other EUC recipients. These recipients had shorter durations than other EUC recipients who collected during the same program phases, and they had substantially lower exhaustion rates (less

TABLE III.3

EUC EXPERIENCES, BY PHASE

EUC Phase	Distribution of EUC First Payments (Percent)	Mean Weeks of EUC Collected	EUC Exhaustion Rate
EUC-1			
UI-and-EUC	9.9	19.7	55.7
EUC-only (Reachback)	4.0	18.8	56.9
EUC-2			
UI-and-EUC	11.0	19.3	54.6
EUC-only (Reachback)	1.3	17.6	56.9
EUC-3			
UI-and-EUC	23.6	17.5	63.9
EUC-only (EUC option)	9.4	12.6	33.9
EUC-4			
UI-and-EUC	24.0	15.7	69.4
EUC-only (EUC option)	9.1	11.7	27.8
EUC-5			
UI-and-EUC	7.1	7.3	75.7
EUC-only (EUC option)	0.6	7.0	34.0
Total	**100.0**	**15.6**	**57.4**

SOURCE: EUC administrative data on samples of individuals from 18 states.

NOTE: The estimates are based on weights assigned to make the sample representative of the U.S. population of UC benefits recipients (see Appendix A).

than 35 percent versus more than 60 percent). Overall, these recipients accounted for 19 percent of all EUC recipients, but they collected about 13 percent of EUC benefits.

B. DEMOGRAPHIC CHARACTERISTICS

Older, female, and minority workers were disproportionately represented among long-term recipients (those collecting UI and EUC), compared to shorter-term recipients, who collected only UI (Table III.4). This pattern is consistent with prior studies of long-term unemployment insurance recipients including recipients of some emergency extended benefits programs (Corson and Dynarski 1990; Corson and Nicholson 1982; and Corson et al. 1986).

Other differences between long- and shorter-term recipients appear to be related to the nature of the 1990-1993 recession and the industries and occupations most affected by it. While one might expect that education level would be negatively correlated with duration of unemployment, the longer-term recipients (UI-and-EUC) had higher education levels than the shorter-term UI-only and EUC-only recipients. However, data presented in the next section show that the shorter-term recipients, particularly the EUC-only recipients, were more likely to come from construction or manufacturing industries and occupations than were the longer-term recipients. Jobs in these industries and occupations tend to require less schooling than in other industries or occupations.

Comparisons of the UI-and-EUC recipients to emergency extended benefits recipients in the 1981-1983 recession also show some differences, which are probably related to the nature of the recessions. The earlier recession was heavily concentrated in durable manufacturing, and, not surprisingly, the proportion of UI-and-EUC recipients who were female (44 percent) was greater than the proportion (37 percent) found for recipients of Federal Supplemental Compensation (FSC), the

TABLE III.4

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS
(Percent, Unless Stated Otherwise)

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Percent Female	43.8	44.3	42.3	40.8
Age at First Claim Date				
24 or younger	8.1	8.2	7.9	12.2
25 to 34	29.6	29.9	28.5	32.4
35 to 44	28.2	28.6	26.7	27.1
45 to 54	19.2	18.4	22.1	17.6
55 to 64	12.8	12.5	13.7	9.1
65 and older	2.1	2.4	1.1	1.5
Mean Age (Years)	40.1	40.0	40.2	37.9
Median Age (Years)	39.0	38.0	39.0	36.0
Race/Ethnicity				
African American	15.9	16.9	12.4	9.8
Asian	1.0	0.9	1.5	2.0
Caucasian	69.7	68.9	72.5	74.0
Hispanic	8.1	8.1	7.9	10.4
Other	5.3	5.2	5.7	3.9
Highest Diploma or Degree Received				
Less than high school	17.8	15.0	27.7	16.6
High school/GED	48.8	49.0	48.0	54.4
Vocational/Technical/Business/Associate's	17.8	19.0	13.8	14.2
Bachelor's	10.5	11.5	6.9	10.5
Post-Bachelor's	3.0	3.6	0.7	3.4
Other	2.0	1.8	2.7	1.0
Household Size at Job Separation (Including Respondent)	2.4	2.3	2.5	2.4

TABLE III.4 *(continued)*

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Married/Living Together at Job Separation	62.1	64.2	67.8	64.9
Widowed/Separated/Divorced	17.0	17.3	15.6	14.8
Never Married	20.9	18.5	16.5	20.3
If Married/Living Together at Job Separation, Spouse/Partner Working	69.5	71.0	64.3	67.5
Has Children Under 18 at Job Separation	49.7	47.7	56.7	48.5
If had children, mean number	1.9	1.9	1.8	1.9
Pre-Unemployment Annual Household Income				
$10,000 or less	5.2	5.0	6.1	5.1
$10,001 to $20,000	27.2	25.4	33.6	26.5
$20,001 to $30,000	20.1	19.4	22.7	23.4
$30,001 to $40,000	16.8	17.1	15.9	17.1
$40,001 to $50,000	11.7	12.3	9.8	10.9
$50,001 to $60,000	7.9	8.8	4.7	8.1
$60,001 to $70,000	4.2	5.0	1.4	2.8
$70,001 or more	6.9	7.2	5.8	6.1
Mean (Dollars)	33,973	35,166	29,748	32,537
Median (Dollars)	28,600	30,400	24,960	27,040
Unweighted Sample Size	**1,341**	**1,043**	298	**963**

SOURCE: Emergency Unemployment Compensation Survey.

program in effect during the earlier recession (Corson et al. 1986).[5] In addition, UI-only recipients during the 1990s recession were slightly more likely to have been female (41 percent) than UI-only recipients during the 1980s recession (38 percent), but the difference is smaller. These numbers stand in contrast to the slight decrease in the percentage of the civilian labor force that has been female from the 1980s to the 1990s, suggesting that females bore a greater portion of the 1990s recession than they did in the 1980s.[6]

C. PRE-LAYOFF JOBS AND JOB SEPARATIONS

Many of the differences between UI-and-EUC recipients and EUC-only and UI-only recipients can be explained by the recipients' types of jobs and job separations (Table III.5). The major difference among these groups is that EUC-only recipients appear more job-attached than UI and EUC recipients or even UI-only recipients. EUC-only recipients were more likely to report long tenure at their pre-unemployment employers. For example, 48 percent of EUC-only recipients worked with their previous employers for five or more years, whereas only 35 percent of UI-and-EUC recipients worked that long with their pre-unemployment employers. However, EUC-only recipients were also more likely to report breaks in employment than either other group. Only 70 percent of EUC-only recipients reported having worked continuously for their pre-unemployment employers, compared to 84 percent of UI-and-EUC recipients, and 76 percent of UI-only recipients. Similarly, EUC-only recipients were almost three time as likely to report being laid off on a regular

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[5]The percentage of EUC recipients who are female, however, is slightly less than the 47 percent of Federal Supplemental Benefits (FSB) recipients during the mid-1970s, who were female (Corson and Nicholson 1982).

[6]In 1980, 42 percent of the civilian labor force were female, compared to 46 percent in 1994 (U.S. Bureau of the Census 1996).

TABLE III.5

PRE-BENEFITS JOB CHARACTERISTICS
(Percentages, Unless Otherwise Stated)

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Weekly Wage				
$200 or less	15.8	14.7	19.9	14.7
$201 to $300	20.8	19.7	24.9	21.5
$301 to $400	21.1	20.4	23.6	21.6
$401 to $500	11.5	12.4	8.3	13.3
$501 to $800	20.5	21.7	16.0	18.5
$801 or more	10.3	11.1	7.3	10.5
Mean (Dollars)	459	472	410	452
Median (Dollars)	380	400	338	375
Hours per Week				
34 or less	8.7	8.0	11.4	8.9
35 to 39	4.8	4.5	5.9	4.9
40	47.3	45.9	52.4	44.3
41 to 45	10.2	10.8	7.7	10.8
46 to 50	13.6	13.5	13.8	16.0
51 or more	15.4	17.3	8.9	15.1
Mean	43.9	44.6	41.3	44.0
Median	40.0	40.0	40.0	40.0
Job Tenure				
Less than 6 months	7.7	7.4	9.2	9.7
6 to 12 months	13.8	14.6	11.0	11.9
13 to 24 months	13.7	13.9	13.1	17.7
25 to 36 months	10.8	11.7	7.3	10.0
3 to 5 years	16.3	17.4	11.9	14.9
5 to 10 years	15.8	15.5	16.8	16.5
More than 10 years	21.9	19.7	30.8	19.3
Mean (Years)	6.5	6.2	7.7	5.9

TABLE III.5 *(continued)*

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Worked Continuously During Pre-Benefits Job	80.7	83.8	69.6	75.9
Had Layoff on a Regular Basis	9.2	6.6	19.3	12.3
Union Member	20.0	18.8	24.5	21.4
Industry				
Agriculture/forestry/fishing	2.1	1.7	3.6	4.3
Mining	2.3	2.4	1.7	2.3
Construction	12.0	10.7	16.7	14.0
Durable manufacturing	18.1	16.8	22.8	16.9
Nondurable manufacturing	14.5	13.0	19.8	16.3
Transportation/public utilities	6.6	7.0	5.2	5.5
Wholesale trade	2.3	2.7	0.9	2.1
Retail trade	12.3	12.9	9.8	10.7
Finance/insurance/real estate	4.9	5.9	1.5	3.4
Services	20.4	21.8	15.6	20.7
Public Administration	4.6	5.3	2.3	3.9
Type of Industry				
Seasonal industry	18.1	16.3	24.6	23.8
Pre-benefits job in high-growth industry[a]	16.0	16.7	13.8	17.5
Pre-benefits job in low-growth industry[a]	26.9	23.7	38.3	27.4
Occupation				
Managerial/professional	12.4	13.9	6.9	10.0
Technical and related support	3.3	3.5	2.4	3.0
Sales	8.2	9.4	4.0	7.1
Administrative support	19.8	22.6	9.8	17.0
Service occupations	8.1	8.2	7.5	6.8
Mechanics and repairers	5.2	5.3	4.9	4.0
Construction and extractive	8.1	6.9	12.3	9.3
Precision production	1.6	1.3	3.0	2.3

TABLE III.5 *(continued)*

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Machine operators/assemblers	19.0	15.2	32.3	22.7
Transportation and material moving	6.7	6.7	6.7	9.5
Handlers	5.8	5.3	7.4	4.7
Farming, forestry, and fishing	2.0	1.7	2.9	3.7
Unweighted Sample Size	**1,341**	**1,043**	**298**	**963**

SOURCE: Emergency Unemployment Compensation Survey.

[a]Two-digit industries were ranked according to their employment growth rates between 1986 and 1990. Industries representing the top 20 percent of employment in the fastest-growing industries are considered high-growth industries. Industries representing the bottom 20 percent of employment in the slowest-growing (or fastest-shrinking) industries are considered low-growth industries.

basis than were UI-and-EUC recipients. UI-only recipients reported regular layoffs at a rate that fell between these two groups.

These patterns of job attachment are not surprising, in light of the differences in the industries and the occupations of the recipients. About 60 percent of EUC-only recipients were employed in the construction, durable manufacturing, and nondurable manufacturing industries, compared to 40 percent of UI-and-EUC recipients and slightly less than half of UI-only recipients. Both EUC-only and UI-only recipients were more likely to report being in a seasonal industry than were UI-and-EUC recipients, and thereby more likely to experience the short unemployment spells found among recipients of only one UC program. Reported occupations of recipients are consistent with this pattern: EUC-only recipients were more likely to have been machine operators or assemblers, or to have been in construction and extractive occupations, than were UI-and-EUC recipients, who were more likely to have been in managerial, professional, or administrative support occupations.

Long-term emergency benefits recipients during the 1990s recession were less likely to be in the manufacturing industries (30 percent) than were emergency recipients during the 1970s and 1980s recessions (44 percent and 40 percent, respectively), whereas a greater percentage of long-term EUC recipients were in services or finance, insurance, and real estate. These differences are probably related to differences in the recessions, with the earlier recessions being more manufacturing-based; however, the differences may also arise in part because the share of the labor force in manufacturing has declined over time.[7]

Given the differences among work histories of the recipient groups, we expect that UI-and-EUC recipients were more likely to be permanently separated from their employers than EUC-only and

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[7]In 1994, 16 percent of employees worked in manufacturing industries, compared to 22 percent in 1980 and 26 percent in 1970 (U.S. Bureau of the Census 1996).

UI-only recipients (the data in Table III.6 indicate that this is the case). Although approximately equal percentages (73 to 79) of UI-and-EUC and UI-only recipients reported having been laid off, the reasons differ substantially. Thirty-one percent of the long-term EUC recipients reported that their plant or facility moved, the company was sold, or the job or shift was eliminated, compared to 18 percent of UI-only recipients, who were more likely to report "lack of work" as the reason for being laid off. As before, EUC-only recipients differed even more than the UI-only recipients from UI-and-EUC recipients. EUC-only recipients were the group most likely to report "lack of work" as their reason for job separation, and least likely to report that the plant closed, the company moved, or the job or shift was eliminated. Similarly, recall expectations were highest among EUC-only recipients and lowest among UI and-EUC recipients. Forty-nine percent of EUC-only recipients expected recall, 20 percent had a definite recall date, and 44 percent reported that they had been recalled. In contrast, 23 percent of UI-and-EUC recipients expected recall, 3 percent had a definite date, and 14 percent had been recalled.

Another measure of the severity of job loss is the definition of "dislocated worker" used by the Bureau of Labor Statistics (BLS) in its Displaced Worker Survey. Under this definition, which takes into account both the reason for job separation and job tenure, 19 percent of UI-and-EUC recipients could be classified as dislocated, compared to only 6 percent of EUC-only recipients and 12 percent of UI-only recipients.[8]

These findings on pre-layoff jobs and job separations show that EUC-only recipients were, on average, more likely to be job attached than UI-and-EUC and UI-only recipients. This finding is not surprising, given the industries the recipients came from and given that EUC-only recipients must

[8]The BLS defines workers as dislocated if they worked at the job they lost for three or more years and lost their job because (1) their plant closed, (2) their employer went out of business, or (3) they were laid off and not recalled.

TABLE III.6

PRE-BENEFITS JOB SEPARATION CHARACTERISTICS
(Percent)

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Reason for Job Loss				
Laid Off[a]	74.5	73.4	78.5	75.4
Plant or facility closed/company moved/merger/company sold	16.0	16.9	12.9	10.0
Job or shift eliminated	12.2	14.5	4.8	9.7
Lack of work	37.1	32.8	51.7	46.8
Job completed/temp job/seasonal job	3.7	3.6	4.9	3.9
Other	5.4	5.5	4.2	5.2
Quit	6.3	5.9	7.5	5.7
Retired	0.9	1.1	0.0	1.6
Fired	10.6	11.2	6.0	9.1
Other	7.8	8.0	6.8	8.2
Dislocated Worker[b]	16.5	19.4	6.2	11.7
Expected Recall[c]	28.3	22.5	49.0	38.1
Had Definite Recall Date[c]	6.5	2.8	19.7	13.3
Was Recalled[c]	20.6	14.0	44.1	33.1
Unweighted Sample Size	**1,341**	**1,043**	**298**	**963**

SOURCE: Emergency Unemployment Compensation Survey.

[a]The sample size categorized as "laid off" is greater than the sum of the sample sizes for the reasons laid off because some responses to the question why the pre-benefits job ended were back-coded from "other" to "laid off." Back-coded responses include: job completed/temp job/seasonal, reorganization/downsizing, company sold/moved/closed/went out of business, and enlistment up/end of term in service. Percent responses to reason for layoff were scaled to reflect the full sample of recipients categorized as laid off.

[b]Dislocated workers were classified according to the Bureau of Labor Statistics definition (Flaim and Sehgal 1985). Individuals who were laid off because a plant or facility closed or moved, because a job or shift was eliminated, or for lack of work were counted as dislocated workers if they had at least three years of job tenure and were not recalled.

[c]Questions about expected recall status were asked only of respondents who reported being laid off. Respondents who cited other reasons for job separation besides being "laid off" were assumed not to expect a recall, have a definite date, or have been recalled.

have had a previous UI benefit year before they could choose to collect EUC first. That is, individuals who had never previously filed for UI benefits would not have been eligible to choose whether or not to collect EUC first. First-time claimants would have been required to claim UI before EUC. Those claimants who had previously collected UI benefits, such as workers laid off and recalled periodically, would have been eligible to choose EUC first. Although we cannot examine the issue directly, these workers, or their employers, might also have been better able to understand the complexities of the choice offered between collecting UI or EUC first, and therefore might have been more able to take advantage of the option available, compared to claimants less familiar with the UI system.

In summary, individuals permanently dislocated from their pre-UI jobs were more likely to end up receiving both UI and EUC than were job-attached individuals. They might also be expected to have different needs for assistance with their job search or additional education or training than would the job-attached recipients who ended up receiving either UI or EUC.

D. THE ANTI-POVERTY EFFECTIVENESS OF EUC

Emergency unemployment benefits are provided as additional, time-limited resources to individuals and their families to tide them over while they look for work. Implicit in the emergency benefits legislation is that other income sources, such as other government transfer programs and spouse/partners' incomes, do not provide sufficient support to maintain family incomes at an adequate level. Indeed, it has been argued that emergency extensions are necessary to keep individuals and their families from having poverty-level incomes. We explore these issues in this section by examining (1) receipt of transfer payments, (2) the earnings of spouses/partners, and (3)

family income relative to the poverty threshold and the role of EUC in maintaining incomes above the poverty threshold.

1. EUC Recipients' Use of Transfer Programs and Retirement Benefits

Families may increase the use of transfer programs from pre-unemployment levels to help alleviate the short-term financial needs experienced during unemployment. To assess the reliance of EUC and UI-only recipients on transfer programs and retirement benefits, we asked survey respondents about their use of these programs, both during the six months preceding their first UC payment and during UC benefit collection. Our analysis includes means-tested cash benefits, such as welfare; means-tested in-kind benefits, such as food stamps; retirement benefits, such as social security and private pensions; and other benefits, such as workers' compensation.

We found that rates of receipt for each of these benefits were low for all groups, both before and during the period of UC receipt (Table III.7). The highest rates of receipt occurred for social security, which was received by six to eight percent of UC recipients. Rates of receipt for other benefits were lower. Previous research also found relatively low rates of retirement and public assistance receipt by UC recipients during both recessionary and nonrecessionary times (Smith and Vavrichek 1990; Corson and Dynarski 1990; and Corson and Nicholson 1982).

In general, there were slight increases in the rates of receipt after unemployment, but the differences were quite small. The largest such increase occurred for the UI-and-EUC group, where five percent of recipients reported receiving food stamps prior to layoff and seven percent reported receiving food stamps after layoff.

TABLE III.7

RECEIPT OF RETIREMENT AND PUBLIC ASSISTANCE BENEFITS BEFORE, DURING, AND AFTER UI AND/OR EUC RECEIPT
(Percent)

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Received Social Security:				
Before Unemployment Benefit Receipt	6.4	6.1	7.6	6.9
During Unemployment Benefit Receipt	7.3	7.0	8.2	7.4
Received Other Pension Benefits:				
Before Unemployment Benefit Receipt	3.7	4.2	1.6	3.4
During Unemployment Benefit Receipt	4.3	4.9	2.0	3.3
Received AFDC, SSI, General Assistance, or Other Welfare Benefits:				
Before Unemployment Benefit Receipt	2.3	2.0	3.4	3.0
During Unemployment Benefit Receipt	3.7	3.0	6.3	2.7
Received Food Stamps:				
Before Unemployment Benefit Receipt	4.6	4.9	3.5	3.8
During Unemployment Benefit Receipt	7.1	7.4	5.9	4.7
Received Workers' Compensation or Other Disability Benefits:				
Before Unemployment Benefit Receipt	3.0	3.4	1.5	2.5
During Unemployment Benefit Receipt	3.2	3.7	1.7	2.0
Unweighted Sample Size	**1,341**	**1,043**	**298**	**963**

SOURCE: Emergency Unemployment Compensation Survey.

In sum, recipients rarely used transfer and retirement programs, either before or during UC benefit collection. We could not examine the reasons why UC recipients did not participate in these programs to assess whether they would have been eligible for them, but it is clear that this source of income was insufficient to replace the income lost through unemployment.

2. Earnings of Spouses/Partners

An important source of income to families experiencing an income shortfall attributable to unemployment is likely to be the earnings of the spouse or partner. Income from this source may be sufficient to support recipients and their families during the period of unemployment. Moreover, if spouses/partners are able to increase their earnings substantially, the need for benefit extensions may be lower.

Information from our survey (Table III.8) indicates that spouse/partner earnings were indeed an important source of earnings for recipients with a working spouse/partner; but there is no evidence that employment rates and/or earnings were increased after unemployment. There were no noticeable differences by recipient group. Specifically, 60 to 65 percent of each group reported being married or living together unmarried, about 43 percent reported that they had a spouse or partner who worked, and mean incomes from the spouse/partner averaged $6,500 to $8,000 per recipient. The spouse or partner's income averaged $16,000 to $19,000 for recipients with a working spouse.

3. Family Poverty Rates

EUC was introduced to provide temporary income support for unemployed workers who, because of the recession, needed additional time to look for work. The implicit assumption was that other sources of income were insufficient to provide adequate financial support to avoid depleting

TABLE III.8

SPOUSE/PARTNER EMPLOYMENT STATUS AND EARNINGS
BEFORE AND DURING UC BENEFIT RECEIPT
(Percent)

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Percent with Spouse/Partner:				
Before UC Benefit Collection	62.4	61.9	64.2	64.8
During UC Benefit Collection	60.8	59.9	64.0	63.6
Percent with Working Spouse/Partner:[a]				
Before UC Benefit Collection	43.2	43.8	41.0	43.5
During UC Benefit Collection	41.6	42.5	38.4	42.6
Mean Annual Earnings from Spouse/Partner (Dollars):[a]				
Before UC Benefit Collection	7,969	8,375	6,532	7,539
During UC Benefit Collection	7,832	8,265	6,293	7,493
Unweighted Sample Size	**1,341**	**1,043**	**298**	**963**

SOURCE: Emergency Unemployment Compensation Survey.

[a]Statistics for percentage with a working spouse/partner and mean income from spouse/partner are for the entire sample. Recipients with no spouse/partner, or with a spouse/partner who was not working, are included in the calculations to assess changes in income in response to both changed likelihood of having a spouse/partner who is working and changed work effort by working spouses/partners.

savings. We therefore examine two questions of policy interest: (1) Was the total family income of EUC recipients above the poverty line? (2) Would the recipients' families have fallen into poverty if they had not received EUC?

To examine these questions, we compare average weekly total family income to family size-adjusted poverty thresholds during the six months prior to receipt of UC and during receipt, including and excluding UI/EUC benefits. "Family income" includes recipients' earnings, earnings reported for the spouse/partner, and public assistance and retirement benefits.

Our analysis shows that, prior to the unemployment spell, distribution of family income relative to the poverty threshold was very similar for the UI-and-EUC and UI-only groups (Table III.9). About 60 to 65 percent of the families had incomes above twice the poverty line, and 11 to 12 percent had incomes below the poverty line, a rate equal to the national rate for families in 1993 (U.S. Bureau of the Census 1996). The EUC-only group was slightly less well off, with 46 percent having incomes more than twice the poverty line and 15 percent with incomes below the poverty line.

Family income dropped after the recipients became unemployed and substantially greater percentages of claimant families had poverty-level incomes, despite UC benefit receipt. During the UC benefit collection period, family income averaged about half the income during the period immediately prior to unemployment. Including UC benefits, 41 percent of UI-and-EUC, 60 percent of EUC-only, and 52 percent of UI-only recipient families appear to have had incomes at or below the poverty line.

If EUC benefits were not available and were excluded from the family income during the EUC benefit collection period, 70 percent of UI-and-EUC recipient, and 77 percent of EUC-only recipients would have been below the poverty level if recipients or their families were unable to find

TABLE III.9

FAMILY INCOME RELATIVE TO THE POVERTY LEVEL THRESHOLD

	EUC Total	UI- and EUC	EUC-Only	UI-Only
Pre-Unemployment Family Income				
Mean Weekly Amount (Dollars)	653	676	572	626
As a Percentage of the Poverty Threshold				
0.0 to 0.5	0.9	0.9	1.0	1.8
0.5 to 1.0	11.0	10.2	14.2	10.2
1.0 to 1.5	12.5	11.3	17.0	14.7
1.5 to 2.0	14.6	12.6	22.2	14.3
2.0 to 3.0	21.9	21.0	21.2	19.8
Over 3.0	39.9	43.9	24.4	39.1
Family Income During the UC Collection Period				
Mean Weekly Amount (Dollars)	331	357	246	298
As a Percentage of the Poverty Threshold				
0.0 to 0.5	20.4	15.8	36.6	31.0
0.5 to 1.0	24.7	25.0	23.7	21.4
1.0 to 1.5	19.8	21.3	14.7	16.6
1.5 to 2.0	12.2	11.6	14.3	9.5
2.0 to 3.0	11.5	13.3	5.2	12.0
Over 3.0	11.4	13.0	5.4	9.6
Family Income During the UC Collection Period, Excluding UC Benefits				
Mean Weekly Amount (Dollars)	173	183	135	171
As a Percentage of the Poverty Threshold				
0.0 to 0.5	62.5	61.0	67.7	61.9
0.5 to 1.0	9.0	8.9	9.6	9.5
1.0 to 1.5	9.2	9.1	9.2	10.3
1.5 to 2.0	6.7	6.6	7.0	4.9
2.0 to 3.0	6.6	7.7	2.5	8.0
Over 3.0	6.1	6.7	3.9	5.4
Unweighted Sample Size	**1,341**	**1,043**	**298**	**963**

TABLE III.9 *(continued)*

NOTE: Family income is the sum of the respondent's income, spouse's income (or partner's income if living with someone unmarried), retirement benefits, and transfer payments. Family income before benefits collection is the average of total income in the six months prior to filing for benefits; it assumes (1) that weekly earnings for the claimant are constant throughout the period, since a high percentage of records contained missing start and stop dates for the pre-unemployment job; and (2) that weekly earnings from the spouse/partner are constant, since we did not ask start and stop dates of spouse/partner's employment.

jobs or increase their earnings in the absence of UI benefits.[9] To examine potential behavioral responses to the loss of EUC, we also examined family income of EUC exhaustees following exhaustion. We found little evidence that exhaustees were able to increase family income rapidly.

These poverty rates are substantially higher than those found in other studies of UC recipients. For example, Corson and Nicholson (1982) estimate that 23 percent of FSB recipient families had poverty-level incomes when collecting FSB, and Smith and Vavrichek (1990) estimate that 19 percent of mid-1980s long-term UI recipients and their families had poverty-level incomes. In the absence of UC, the two studies estimate poverty rates of 33 and 46 percent, respectively. One reason for the differences is that the current study, unlike the other two cited here, may have less complete data on family income. For example, the other two studies were able to include data on the earnings of family members other than the spouse, as well as data on dividends, rent, and interest; but this study does not contain these data. Another reason for the differences is that the FSB calculation refers to the year in which FSB was collected while the other two refer solely to the period in which UI or EUC was collected.

While this comparison to earlier studies suggests that the poverty rates reported here may be biased upwards, an analysis of family structure and the components of income suggests that the numbers reported here may not be far out of line. The numbers reported in Table III.4 indicate that the average family size of EUC and UI recipients was 2.4, which translates to an average 1993 annual poverty threshold of roughly $10,500. With an average UI/EUC weekly benefit of $169, recipients who were solely or primarily dependent on their UI benefit for income would have had poverty-level incomes ($169 × 52 = $8,788). In contrast, the 40 percent of recipients with working spouses would be unlikely to have poverty-level incomes, since average earnings of the spouse were

[9]Loss of UI benefits would have had a similar effect on UI-only family incomes.

more than $16,000 in all our claimant groups. These numbers suggest that poverty status is highly correlated with the absence of a spouse's income, a finding confirmed in the Smith and Vavrichek (1990) study.

In summary, our analysis of family income relative to poverty thresholds suggests that EUC kept a substantial portion of families from experiencing poverty-level incomes during the period of EUC collection. Other transfer payments and retirement benefits, without EUC, would not have kept these families above the poverty level. On the other hand, the earnings of the spouse/partner were an important and sizable source of family income, but this source was available only to the approximately 40 percent of recipients whose spouse/partner was working prior to the pre-UI layoff. We found no evidence of increased employment rates or earnings of the spouse/partner during the unemployment spell.

E. RECEIPT OF REEMPLOYMENT SERVICES AND PARTICIPATION IN EDUCATION OR TRAINING

EUC recipients' employment and training needs may have differed from those of regular UI-only recipients. If so, the appropriate policy response may have been to provide more reemployment services or education/training to these individuals before they began to collect EUC. While the need for services is not easily measured without in-depth case studies of the skills and interests of each individual, we explore this issue in two ways. First, we examine the degree to which EUC recipients used reemployment services and education and training. Evidence that reemployment services and education/training were used by many recipients would suggest that increased emphasis on service use may be unnecessary, while evidence that reemployment services or education/training were used by few recipients would suggest the opposite. Second, we examine whether EUC recipients had

characteristics such as low skills and education levels, which may indicate a need for employment and training services.

1. Reemployment Service Use

Both UI and EUC recipients could use job search and placement services provided by their state's Job Service or Employment Service, and substantial fractions of both groups used services. As we would expect, long-term EUC recipients (UI-and-EUC) were more likely to use the Job Service than shorter-term recipients (EUC-only and UI-only). As Table III.10 shows, about two-thirds of EUC-and-UI recipients reported using the Job Service, both while collecting UI and while collecting EUC, compared to about 50 percent of EUC-only and UI-only recipients.[10] However, despite the greater likelihood of service use and the fact that Job Service registration was required during some phases of EUC, 25 percent of long-term recipients did not report using the Job Service either during UI or EUC. This finding suggests that there is probably some room for increasing the level of service use for long-term recipients.

One potential explanation for the fact that some recipients did not use the Job Service is that some recipients were job attached and probably not in need of reemployment services. Data on the use of Job Services by recall status (Table III.10) confirm that recipients with definite recall dates were much less likely than other recipients to go to the Job Service; still, a substantial number of recipients with no expectation of recall did not use the Job Service. The rate of use was highest for

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[10]The rates of Job Service use are similar to those found in a study of UI recipients in 1988. In that study, 64 percent of exhaustees and 50 percent of nonexhaustees reported using the Job Service (Corson and Dynarski 1990). As in that study, the services most commonly mentioned by recipients were (1) receiving referrals to jobs, (2) being taught how to apply for jobs, (3) receiving assistance in applying, (4) receiving information on careers or occupations, and (5) receiving information about job training or education programs.

TABLE III.10

USE OF REEMPLOYMENT SERVICES OTHER THAN TRAINING

		UI-and-EUC				EUC-Only				UI-Only			
	EUC	All	No Recall Expectations	Recall Expectations, No Date	Definite Recall Date	All	No Recall Expectations	Recall Expectations, No Date	Definite Recall Date	All	No Recall Expectations	Recall Expectations, No Date	Definite Recall Date
Received Services from Job Service													
During UI collection	71.1	71.1	71.3	72.8	54.1	--	--	--	--	47.6	50.3	52.0	27.1
During EUC collection	63.1	67.0	66.2	72.1	53.9	49.1	58.1	50.9	24.9	--	--	--	--
During Either UI or EUC Collection	71.6	75.4	75.1	78.8	61.0	49.1	58.1	50.9	24.9	47.6	50.3	52.0	27.1
Received Services from JTPA or Other Source													
During UI collection	20.1	20.1	21.8	15.5	4.2	--	--	--	--	14.2	19.1	7.5	4.3
During EUC collection	14.3	15.9	16.8	13.5	4.4	8.6	13.5	4.1	2.3	--	--	--	--
During Either UI or EUC Collection or After Exhaustion	22.3	25.2	27.1	20.5	4.4	8.6	13.5	4.1	2.3	14.2	19.1	7.5	4.3
Unweighted Sample Size	**1,258**	**981**	**763**	**189**	**29**	**277**	**138**	**85**	**54**	**943**	**551**	**251**	**141**

SOURCE: Emergency Unemployment Compensation Survey

longer-term recipients who had no recall expectations (that is, UI-and-EUC); even for this group, however, a quarter did not use the services.

Similar patterns held for use of services from the Job Training Partnership Act (JTPA) or other sources. Once again, a higher percentage of UI-and-EUC recipients (25 percent) received services from these sources than did EUC-only and UI-only recipients (9 and 14 percent, respectively). Recipients with recall expectations were less likely to receive services than recipients who were less job attached.

2. Use of Occupational Training and General Education

During recessionary periods most unemployment compensation recipients are likely to have job skills that will lead to jobs once the economy strengthens, and these recipients are not likely to need further education or training to find a job. However, some recipients lack employable skills and need (or could benefit from) further education or training, either to find a job or to increase their wages. These recipients may or may not receive education or training while unemployed. Hence, an important question is: To what degree do unemployment compensation recipients participate in education or training programs?

Information collected in our survey about this question indicates that a modest number of recipients did participate in training or education programs at some point between their first UC claim date and our interview date, a period that averaged approximately three-and-a-half years. A slightly higher percentage of UI-and-EUC recipients (24 percent), compared to UI-only or EUC-only recipients (14 to 17 percent), received education or training, with some recipients reporting participation in more than one program (Table III.11).[11] However, not all education or training

[11]These rates are higher than the rates for UI recipients reported in Corson and Dynarski 1990, for 1988 (16 percent for exhaustees and 10 percent for nonexhaustees). That study, however, covered a shorter time period (about one year), and 1988 was a nonrecessionary year.

TABLE III.11

USE AND TYPES OF EDUCATION OR TRAINING RECEIVED BY BENEFITS RECIPIENTS
(Percent)

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Number of Training or Education Programs Participated in Between First Claim Date and Interview Date				
0	77.8	75.6	85.8	82.9
1	15.8	17.3	10.3	13.2
2	4.3	4.7	3.2	2.5
3 or more	2.1	2.4	0.7	1.4
Start of Training				
Before beginning benefit receipt	9.5	10.1	5.2	14.3
During benefit receipt	55.6	57.3	43.8	37.9
After benefit receipt, before job start	14.9	13.9	21.6	19.2
After job start	20.0	18.7	29.5	28.7
If Participated in Training or Education, First Program Was				
Skilled/occupational training program	73.6	74.1	70.2	68.8
General education program	26.4	25.9	29.8	31.2
If Participated in Second Program, It Was				
Skilled/occupational training program	73.6	73.4	74.6	63.5
General education program	26.4	26.6	25.4	36.5
Unweighted Sample Size	**1,341**	**1,043**	**298**	**963**

SOURCE: Emergency Unemployment Compensation Survey.

received between the first claim date and the interview date was in response to the unemployment spell. Some recipients continued education or training they had began before collecting UC benefits, while others began participating after becoming reemployed.[12] About 30 percent of the first education or training program reported by UI-and-EUC recipients, and 35 percent or more for EUC-only and UI-only recipients, began either before or after the unemployment spell. Adjusting for the start date, we find that about 17 percent of UI-and-EUC and 10 percent of EUC-only and UI-only recipients participated in education or training programs that began while they were unemployed.

Participation in occupational training programs was two to three times as common as participation in general education programs. Moreover, UI-and-EUC recipients who received education or training were more likely to receive occupational training than general education, compared to EUC-only and UI-only recipients.

An examination of the characteristics of the first training program begun during the unemployment spell (Table III.12) indicates that common types of training were computer programming and data processing; nursing, therapy, and other medical training; and business management, including sales.[13] The category labeled "Other" represents a large percentage of claimants' training, since the training varied considerably. Common categories included in this category are police and correctional work, social work and counseling, and food management.

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[12]We cannot distinguish perfectly between training undertaken in response to unemployment and education or training begun for other reasons. For example, a worker might have started a training program in expectation of a layoff; alternatively, a worker may have accepted a job for the short term to provide income while participating in education or training for a new career.

[13]Because sample sizes for the second and third programs are too small for comparisons to be meaningful, we focus on the first program only.

TABLE III.12

CHARACTERISTICS OF OCCUPATIONAL TRAINING STARTED DURING UNEMPLOYMENT SPELL
(Percent)

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Type of Training				
Computer programming, data processing	12.7	11.1	24.7	14.9
Nursing, therapist, medical	13.4	12.5	20.3	18.2
Secretarial, word processing	3.9	3.6	6.4	2.7
Real estate sales	3.2	3.6	0.0	0.0
Cosmetology, beautician	2.4	2.7	0.0	0.0
Teaching certification	3.6	3.6	3.4	2.7
Accounting, tax preparation	6.4	4.8	18.5	5.4
Truck driving	1.3	1.5	0.0	11.1
Business/management/sales	11.0	10.5	14.5	12.9
Construction/carpentry/plumbing/mechanics	8.6	7.1	0.0	5.4
Other[a]	33.6	39.0	12.2	26.7
Program Included Some General Education	22.8	23.0	20.9	25.3
Location of Training				
Vocational training center	17.0	16.6	20.1	16.6
Community college	32.1	32.2	31.4	21.5
Other college or university	11.2	10.4	17.3	4.0
Business school	1.9	2.1	0.0	10.9
Company	7.8	7.8	8.1	3.0
Adult education	7.2	7.0	8.6	13.3
Other	22.8	23.9	14.5	30.9
Program Was Paid for by:				
Claimant	37.2	37.7	33.5	55.6
Claimant's family	2.2	2.5	0.0	2.9
Employer	7.9	6.2	20.9	10.9
Government agency	43.7	44.5	37.5	23.9
Government loan or scholarship	1.0	1.1	0.0	5.5
Private organization	8.1	8.0	8.1	1.3

TABLE III.12 *(continued)*

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Duration of Program[b]				
Less than 1 month	8.5	8.7	6.8	4.4
1 or 2 months	28.0	28.5	23.8	36.7
3 to 5 months	21.5	20.0	32.9	14.8
6 to 11 months	8.2	8.2	8.6	12.0
12 to 23 months	9.6	8.4	19.2	10.7
24 or more months	24.3	26.3	8.6	21.4
Completion Status				
Completed program	80.8	81.4	75.9	76.4
Dropped out of program	9.3	10.4	0.0	9.2
No specified completion	1.3	0.7	5.6	5.0
Still in program	8.7	7.4	18.5	9.3
Was Program Useful in Obtaining a Job?				
Useful	58.4	62.5	21.3	65.1
Somewhat useful	18.9	16.6	40.5	8.4
Not useful	22.7	20.9	38.3	26.5
How Useful Is Program on Current Job?				
Useful	50.2	51.2	41.6	46.9
Somewhat useful	17.8	16.3	29.5	19.1
Not useful	22.2	23.5	12.0	27.4
No current job	9.8	9.0	16.9	6.6
Unweighted Sample Size	**116**	**102**	**14**	**48**

SOURCE: Emergency Unemployment Compensation Survey.

NOTE: Analysis is restricted to survey respondents whose first education or training program that started during the unemployment spell (either during benefit receipt or after benefit receipt and before a job start) was occupational training.

[a]Frequent responses grouped in the "Other" category include: police or correctional work, social work and counseling, chef or food management, basic job skills, graphic design or drafting, and water and waste management.

[b]We asked survey respondents who could not recall the duration of the program whether it was less than six months or six months or more. Of those who could respond, about half thought it was less than six months.

UI-and-EUC were twice as likely to have a government agency pay for the program, as were UI-only recipients.[14] About 75 percent of UI-and-EUC completed the first occupational training program, and more than 60 percent considered the course useful in obtaining a job. (Somewhat more thought that the program was "useful" or "somewhat useful" on the current job.)

In contrast to UI-and-EUC, UI-only recipients most commonly reported paying for their own program. Their experiences in how the training helped them either to get a job or maintain it were similar to those of the long-term unemployed. Sixty-five percent reported that the training was useful in obtaining a job; 66 percent thought it was useful or somewhat useful on the job.

The most common types of general education courses taken by EUC and UI-only were two-year college courses (Table III.13). General Equivalency Diploma (GED) classes, English as a Second Language (ESL) classes, and noncredit adult education classes were also common. As with occupational training, UI-and-EUC recipients were more likely than UI-only recipients to report that their general education courses were paid for by a government agency, although paying for one's own course was the most prevalent method. Half the courses taken by both EUC and UI-only recipients were to last less than six months.

In contrast to the occupational training, larger percentages of EUC and UI-only recipients (18 percent and 41 percent, respectively) reported that they did not complete the general education courses, and a lower percentage of recipients thought their general education courses were useful in performing their jobs. Common reasons for not completing the courses were finding employment and being unable to afford to continue. Because the number of recipients who reported taking general education courses is extremely small, caution should be used in interpreting these patterns.

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[14]We ignore the EUC-only recipients, since the sample size is quite small.

TABLE III.13

CHARACTERISTICS OF GENERAL EDUCATION COURSES STARTED DURING THE UNEMPLOYMENT SPELL
(Percent)

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Type of General Education				
High school	2.2	2.6	0.0	0.0
GED	20.2	19.0	28.1	8.2
English as a Second Language (ESL) classes	7.2	8.4	0.0	15.7
Noncredit adult education	16.4	15.8	20.2	19.7
Two-year college	23.1	26.8	0.0	32.8
Four-year college or university	15.3	15.5	13.5	4.8
Graduate or professional program	3.2	3.7	0.0	0.0
Other	12.4	8.3	38.2	18.9
Program Was Paid for by:				
Recipient	45.9	44.2	56.4	60.2
Recipient's family	2.7	3.1	0.0	0.0
Employer	0.0	0.0	0.0	6.9
Government agency	32.2	35.2	14.1	24.4
Government loan or scholarship	16.4	14.2	29.6	0.0
Private organization	2.9	3.3	0.0	8.5
Duration of Program[a]				
Less than 1 month	2.3	2.7	0.0	0.0
1 or 2 months	23.9	23.1	28.8	27.7
3 to 5 months	31.5	27.1	58.7	20.0
6 to 11 months	14.3	16.7	0.0	10.1
12 to 23 months	3.3	3.8	0.0	0.0
24 to 47 months	12.3	14.3	0.0	42.2
48 or more months	12.5	12.4	13.5	0.0
Completion Status				
Completed program	76.2	72.5	100.0	58.8
Did not complete program	15.7	18.1	0.0	41.3
Still in program	8.2	9.4	0.0	0.0

TABLE III.13 *(continued)*

	EUC Total	UI-and-EUC	EUC-Only	UI-Only
Was Program Useful in Obtaining a Job?				
Useful	56.9	56.1	61.8	42.1
Somewhat useful	21.6	25.3	0.0	8.2
Not useful	21.5	18.6	38.2	49.7
How Useful Is Program on Current Job?				
Useful	30.6	31.0	27.6	40.5
Somewhat useful	24.7	28.5	0.0	40.8
Not useful	24.9	19.7	58.4	12.3
No current job	19.9	20.8	14.1	6.4
Unweighted Sample Size	**38**	**31**	**7**	**14**

SOURCE: Emergency Unemployment Compensation Survey.

NOTE: Analysis is restricted to survey respondents whose first education or training program that started during the unemployment spell (either during benefit receipt or after benefit receipt and before a job start) was a general education course.

[a]We asked survey respondents who could not recall the duration of the program whether it was less than six months or more. Of those who could respond, about 60 percent (65 percent of UI-only claimants and 45 percent of EUC claimants) thought it was less than six months.

3. Indicators of Potential Need for Education or Training

In Section 2, we reported that 17 percent of the long-term recipients (that is, those receiving both UI and EUC) participated in education or training programs while unemployed, and that three-quarters of these individuals participated in occupation-oriented training programs. An obvious question to ask is whether other recipients might have benefited from participation in education or training programs. This is a difficult question to answer, since we do not know what the impact of participation would be on employment and earnings. However, we can examine this question partially by examining characteristics of recipients that are likely to reflect a need for further education or training.

We examined two indicators of potential need for education or training: (1) not having a high school diploma or a GED, and (2) earning less than $6 per hour at the pre-benefits job.[15] By these measures, substantial numbers of recipients might benefit from education or training (Table III.14). Specifically, about 35 percent of the recipients in the EUC-and-UI and UI-only samples had one or more of these characteristics, while about 7 percent had both characteristics. EUC-only recipients were more likely to be high school dropouts and/or earn less than $6 per hour than were either UI-only or UI-and-EUC recipients (44 percent, compared to 35 percent).

While these indicators suggest that substantial numbers of recipients might have benefited from further education or training, the actual participation rate was considerably lower (about 16 percent);

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[15]We also considered using two other measures as potential indicators of need for education or training: (1) having worked in an industry that had experienced significant employment decline in the several years prior to the recession (from 1986 to 1990), and (2) not expecting recall. When we used either indicator in conjunction with the other indicators of need for training, virtually all of the sample was considered to have potential need for training. We therefore rejected use of these measures as indicators of potential need for training.

TABLE III.14

INDICATORS OF POTENTIAL NEED FOR EDUCATION OR TRAINING
(Percent)

	EUC Total	UI- and-EUC	EUC-Only	UI-Only
Ex Ante Indicators of Potential Need for Training				
Less than a high school diploma or GED	17.8	15.0	27.7	16.6
Did Not Earn More than $6 per Hour at Pre-Unemployment Job	25.5	25.6	24.9	24.5
Had One or More of These Characteristics	36.4	34.1	44.4	35.4
Had Both of These Characteristics	7.3	6.8	9.0	6.2
Unweighted Sample Size	**1,341**	**1,043**	**298**	**963**

SOURCE: Emergency Unemployment Compensation Survey.

interestingly, it was lower for recipients with low educational levels or low pre-unemployment wages than for recipients with higher education levels or higher pre-unemployment wage levels (Table III.15). Rates of education or training participation were even slightly lower for individuals with both a low education level and low pre-unemployment wages. These findings are mirrored in the data on Job Service use; rates of Job Service use were higher for individuals with no indicator of education or training need than for those with such indicators. These results are consistent with results from a study of Trade Adjustment Assistance (TAA) recipients. Recipients who participated in training had more education, on average, than TAA recipients who did not participate in training (Corson et al. 1993).

These findings suggest that providing additional education and training services as part of emergency benefits legislation might be useful, but we should not base a recommendation for additional education and training solely on the findings. For example, we found that a greater percent of EUC-only recipients had low education levels or low wages than any of our other groups, but it probably would not necessarily be beneficial to provide education and training to this group, since EUC-only recipients tended to be job attached. Before providing additional education and training, we need evidence of the impacts these services have on the future earnings of workers. We also need information about which workers are most likely to benefit.

TABLE III.15

USE OF TRAINING AND JOB SERVICES, BY INDICATED POTENTIAL NEED FOR TRAINING/EDUCATION
(Percent)

	EUC	UI-and-EUC	EUC-Only	UI-Only
Had One or Both Ex Ante Indicators of Potential Need for Training or Education				
Received Training or Education	11.4	13.9	4.5	7.2
Went to Job Service	69.3	76.0	50.7	47.3
Had Both Ex Ante Indicators of Potential Need for Training or Education				
Received Training or Education	9.9	13.4	0.0	2.4
Went to Job Service	68.0	74.0	50.1	35.1
Had Neither Ex Ante Indicator of Potential Need for Training or Education				
Received Training or Education	19.6	21.6	11.2	11.9
Went to Job Service	73.2	77.8	53.5	48.1
Full Sample				
Received Training or Education	15.7	17.4	9.3	9.9
Went to Job Service	71.5	76.7	52.5	47.9
Unweighted Sample Size	**1,341**	**1,043**	**298**	**963**

SOURCE: Emergency Unemployment Compensation Survey.

NOTE: The tables pertain to training/education that started during the unemployment spell. "Went to Job Service" pertains to going to Job Service during UI or EUC benefit collection or after benefit exhaustion.

We assume that respondents who did not report start dates of training or education were proportionately as likely to have begun these activities during benefit receipt and before starting a job as recipients who reported start dates. The figures are adjusted to include recipients without dates.